

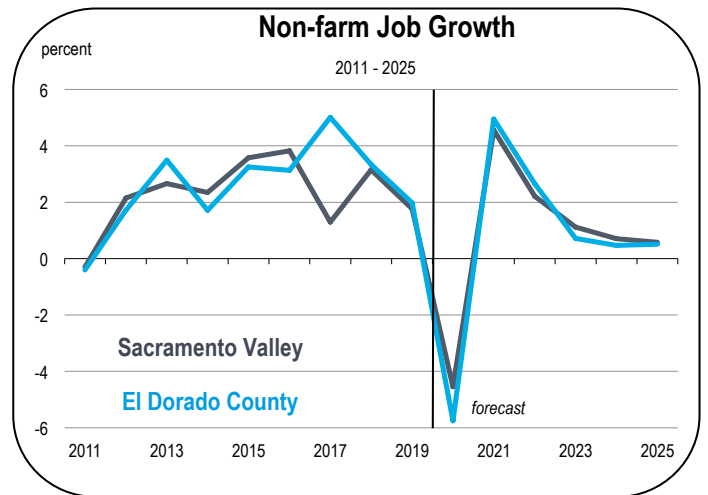
El Dorado County Economic Forecast

Forecast Summary

- It is estimated that an average of 3,000 to 4,000 jobs will be lost in El Dorado County during 2020. Job loss were heavy in the first half of the year.
- Employment losses will be largest in leisure services, professional business services, and construction.
- The unemployment rate averaged 3.5 percent in 2019. It will average somewhere between 8 percent and 10 percent in 2020.
- The El Dorado County population is expected to grow more slowly than the broader Sacramento Valley during most of the forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production is expected to decrease sharply in 2020 but rebound convincingly in 2021.

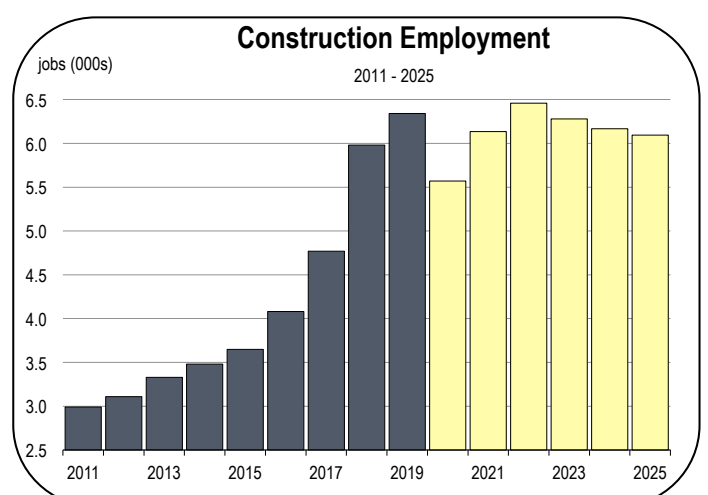
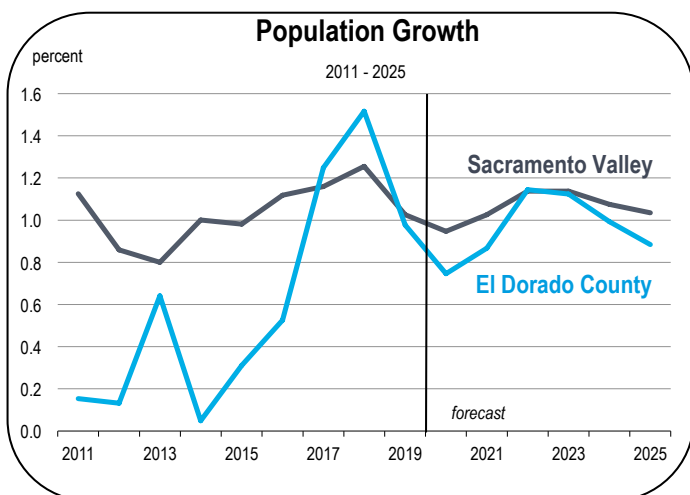
Job Growth

- Total employment in the County will decline between 5 and 7 percent in 2020. This is an annual average change from 2019.
- In 2021, El Dorado County is expected to re-gain many of the jobs lost during the Coronavirus recession.

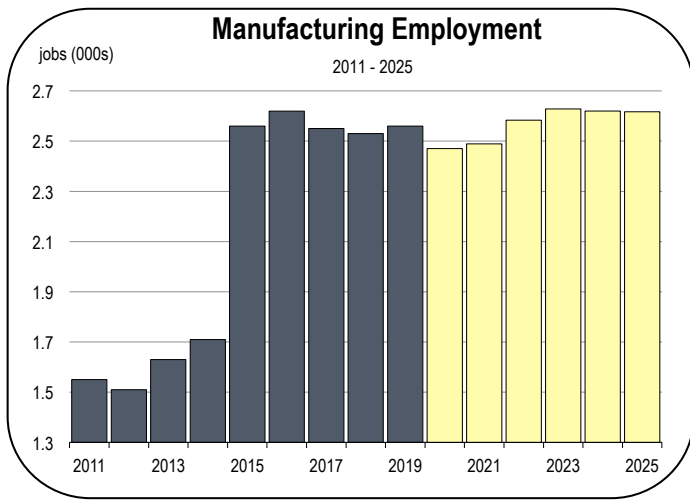


Construction Employment

- The construction sector is expected to lose more than 700 jobs in 2020.
- Most California construction activity was deemed non-essential for several weeks in March and April, leading to significant construction layoffs that average down total construction employment in 2020.
- Restrictions on construction were lifted in late April 2020, and overall construction activity could ramp back up during 2021 and 2022.



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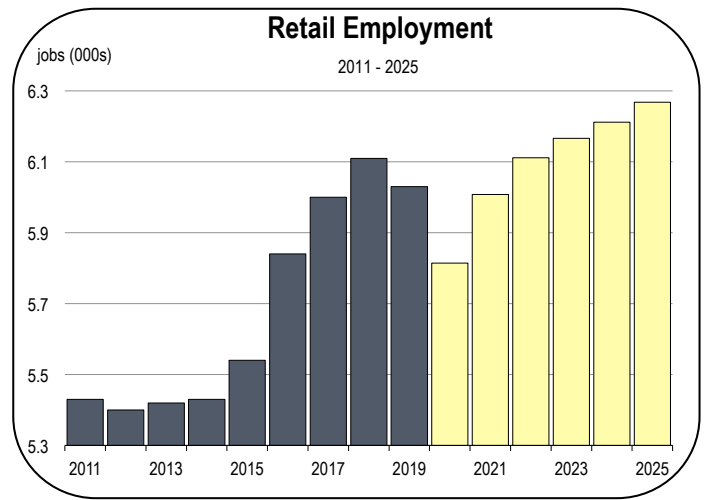
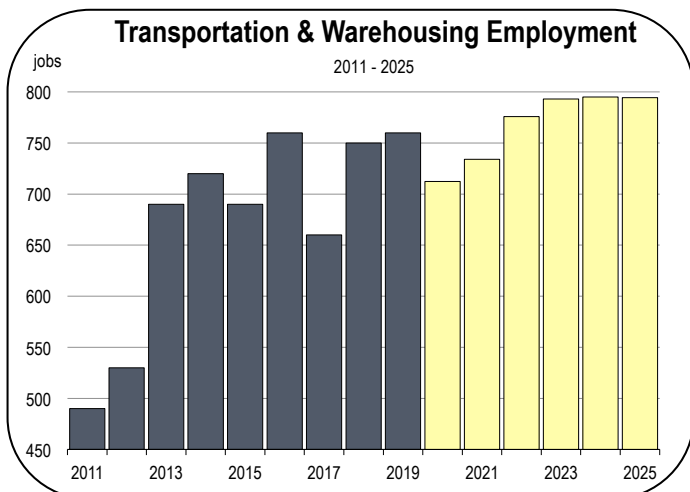


Manufacturing Employment

- The manufacturing sector lost a small number of jobs during the coronavirus recession.
- Employment began to rebound slowly during the restart phase in the summer and fall of 2020.

Transportation and Warehousing Employment

- Most transportation jobs in El Dorado County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.
- A meaningful number of jobs are in delivery firms like UPS and FedEx.
- Transportation employment began to expand again during Phase 2 of California’s restart.

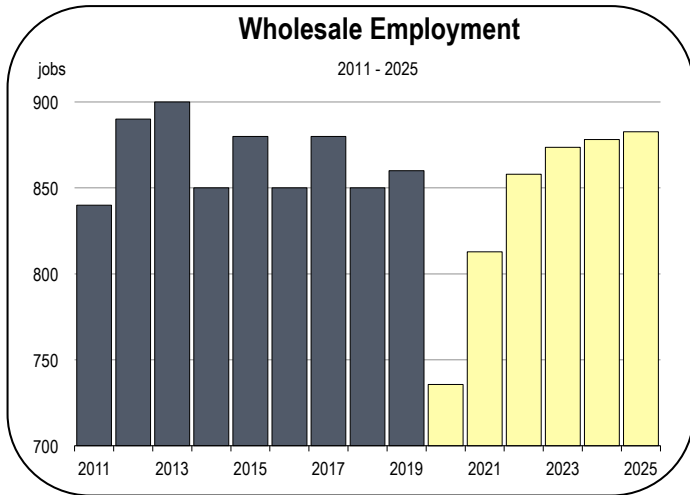


Retail Trade Employment

- The retail sector is expected to lose more than 200 jobs in 2020 on an annual average basis.
- Many retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.
- Accounting for furloughed workers, more than 600 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- Retail trade jobs began to return after in-store shopping was permitted again, but it is unknown when and if retail employment will eclipse pre-recession levels because of the strengthening demand trend towards online purchasing.

Retail Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Grocery Stores	1,700	27.9%
General Merchandise Stores	700	11.5%
Home Improvement / Garden Supply	600	9.8%
Car Dealers	400	6.6%
Gas Stations	300	4.9%
Pharmacies & Drug Stores	300	4.9%
Online Retailers	200	3.3%
Clothing Stores	100	1.6%
Furniture & Furnishings Stores	100	1.6%
Used Merchandise Stores	100	1.6%
Electronics Stores	100	1.6%
Other	1,500	24.6%

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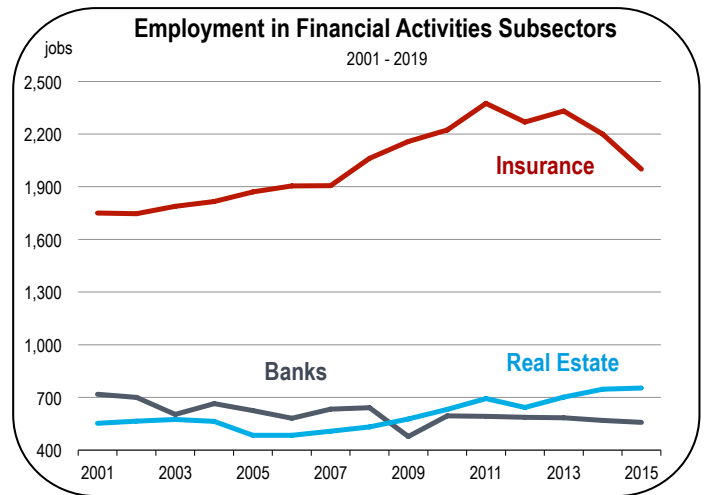
Wholesale Trade Employment

- Wholesale trade employment is expected to fall by at least 100 jobs on an annual average basis in 2020.
- Wholesale employment is likely to expand in tandem with employment in retail and transportation/warehousing.

Financial Activities Employment

- The Blue Shield office in El Dorado Hills accounts for half of all jobs in the financial activities sector. Blue Shield is also El Dorado County's largest private employer.
- Even before the onset of the Coronavirus Recession, financial activities employment was declining due to reductions at insurance firms.

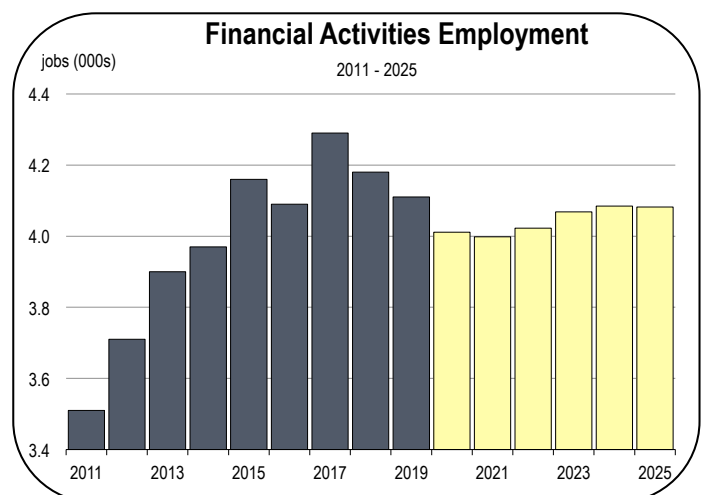
Financial Activities Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Insurance	2,000	48.8%
Real Estate	800	19.5%
Banks	600	14.6%
Other	700	17.1%



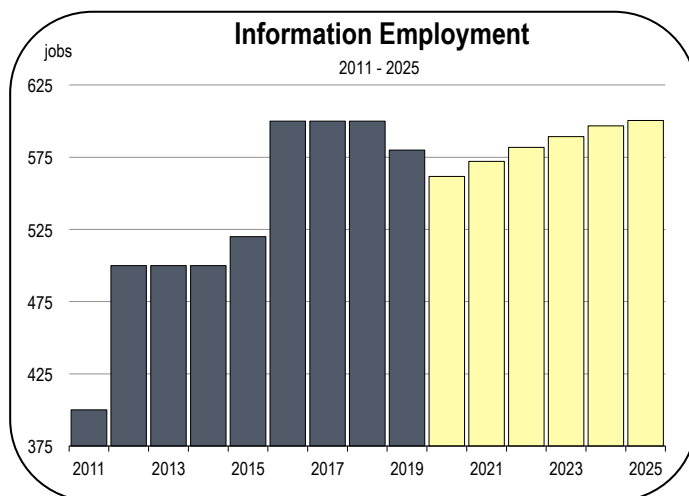
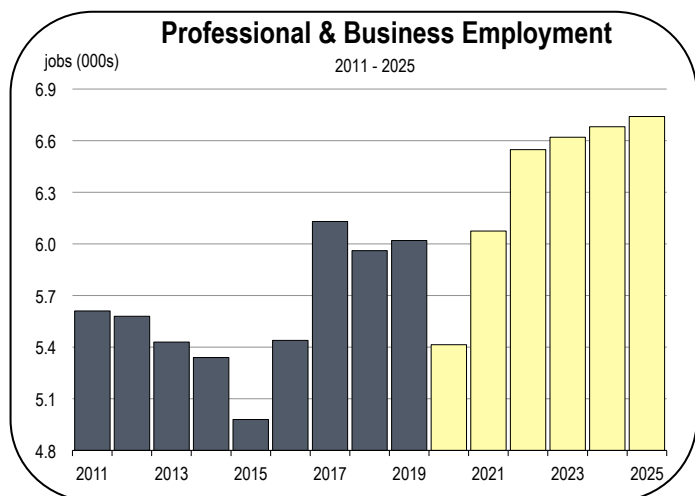
- Substantial job declines are expected this year because many employers closed, committing their employees to shelter-in-place for health reasons.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was impacted differently during the shutdown and recovery phases of 2020.



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- Jobs in corporate security and building maintenance declined substantially during the recession but are expected rebound at office and industrial buildings with repopulating employment.
- Staffing agencies had significant losses during the contraction, but may bounce back quickly in 2021.
- Staffing agencies primarily employ temp workers. Temp workers are usually laid off first during a downturn but hired back first during a recovery.
- Aside from security, maintenance, and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were less affected by the downturn.

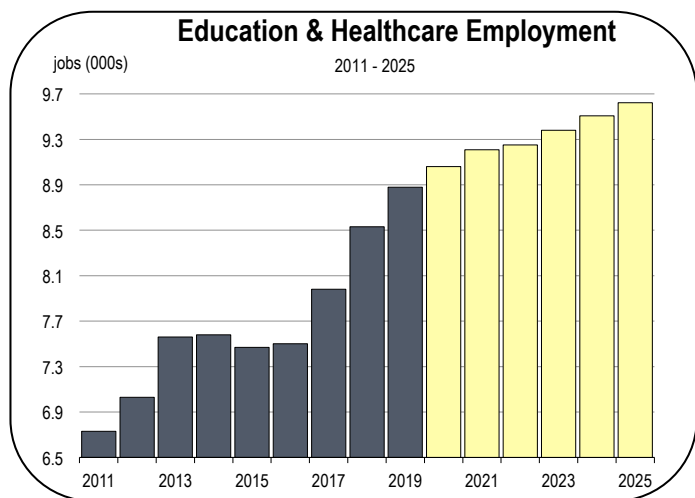
Information Employment

- In El Dorado County, the information sector is largely comprised of telecommunications companies like Comcast, software publishers, local newspapers, and data/Internet services.
- Software companies were able to operate remotely during the lockdowns and were largely unaffected by the recession.
- Telecommunications jobs were classified as essential and these workers remained employed during shelter-in-place. Consequently, employment was not impacted as it was in other parts of the economy.
- Many newspaper, magazine, and TV/radio workers were allowed to remain in their jobs, but advertising revenues shrank with the rest of the economy, giving employers little choice but to issue layoff notices.
- Virtually all information subsectors are in long-term patterns of decline except software publishing and data/Internet services.
- Software publishing and data/Internet services are expected to generate new jobs over the forecast period, but declines are anticipated in most other subsectors.

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	1,300	21.3%
Engineering & Architecture	1,200	19.7%
Call Centers & Collections Agencies	700	11.5%
Custom IT Services	500	8.2%
Corporate Headquarters	400	6.6%
Business Consulting	300	4.9%
Corporate Security	200	3.3%
Accounting & Bookkeeping	200	3.3%
Marketing and Advertising	200	3.3%
Staffing Agencies	100	1.6%
Law	100	1.6%
Scientific Research	100	1.6%
Other	800	13.1%

Information Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Software Publishers	200	33.3%
Telecommunications	100	16.7%
Newspaper / Magazine / Book Publishing	100	16.7%
Data & Internet Services	100	16.7%
Other	100	16.7%

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Private Education and Healthcare Employment

- There were 5,700 healthcare jobs in El Dorado County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and hospitals reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.
- There were approximately 2,100 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.
- There were also 500 jobs in private schools and colleges, tutoring services, vocational schools, and other educational organizations.
- Jobs in social assistance and education were mostly classified as essential. Nevertheless there were layoffs at institutions with revenue shortfalls.

Leisure and Hospitality Employment

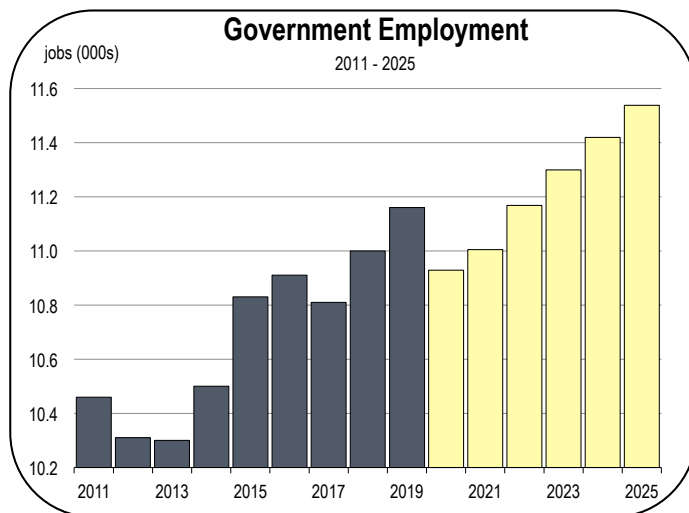
- The leisure and hospitality industry was devastated by the shutdown more than any other sector of the labor market.
- In 2019, El Dorado County had 7,700 jobs in restaurants, hotels, and bars. Our research indicates that most were laid off, furloughed, or had their hours cut in the months of March and April.
- Some jobs at restaurants, bars, and hotels will return quickly by 2021 but total employment levels may not be completely restored for several years.
- El Dorado County also had 2,000 jobs in entertainment and recreation in 2019, including things like fitness centers, museums,



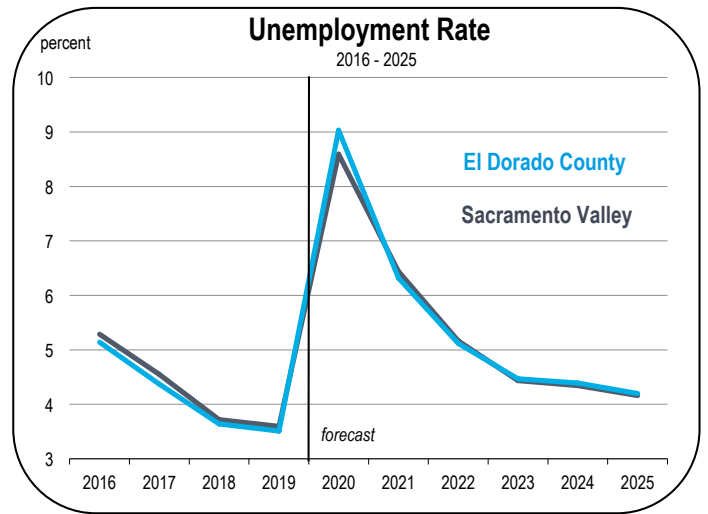
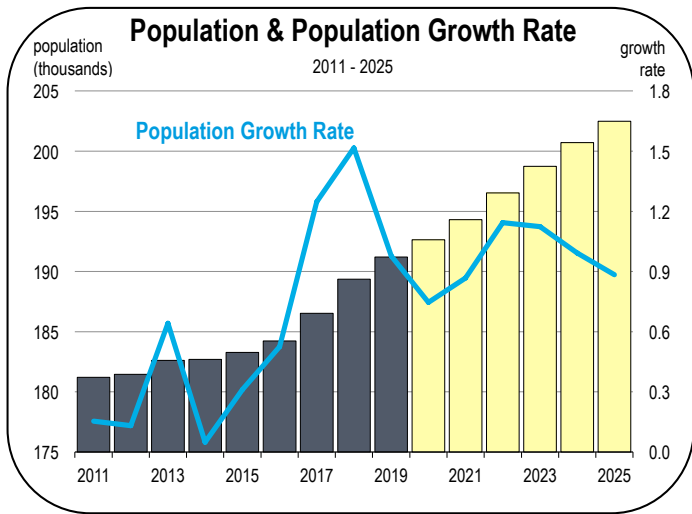
and ski slopes. Many of these organizations will operate at reduced capacities through the end of 2020 and potentially into 2021.

Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.



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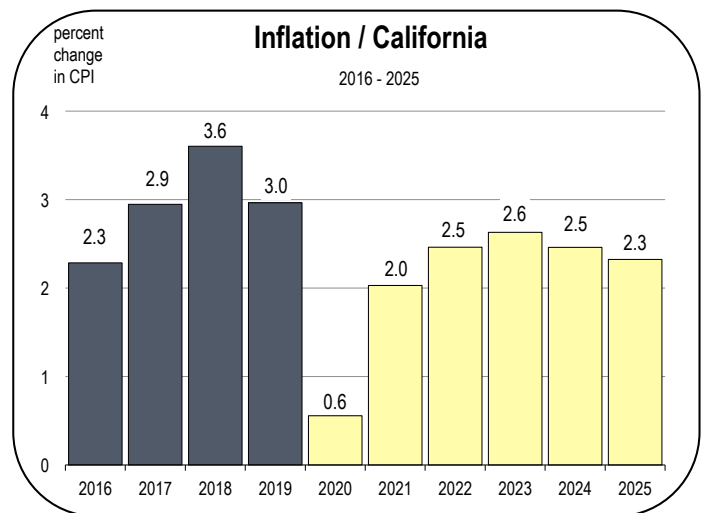
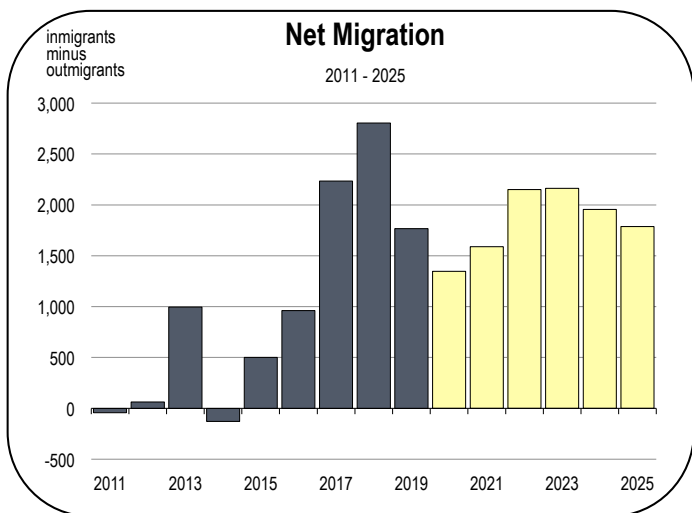


Population Growth

- The El Dorado County population is expected to expand more slowly than the Sacramento Valley average between 2020 and 2025.
- An average of 1,800 net migrants are expected to move into El Dorado County each year between 2020 and 2025, accounting for virtually all population growth.
- Because El Dorado County’s population is skewed toward older residents, the county has a low birth rate. Births are not expected to be a major contributor to population growth during the 2020-2025 forecast period.
- The population will expand at an annual average rate of 1.0 percent per year from 2020 to 2025.
- By 2025, the El Dorado County population will surpass 200,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in El Dorado County averaged 3.5 percent in 2019, which was similar to the composite rate for the Sacramento Valley.
- The unemployment rate is expected to average between 8 and 10 percent during the 2020 calendar year.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.



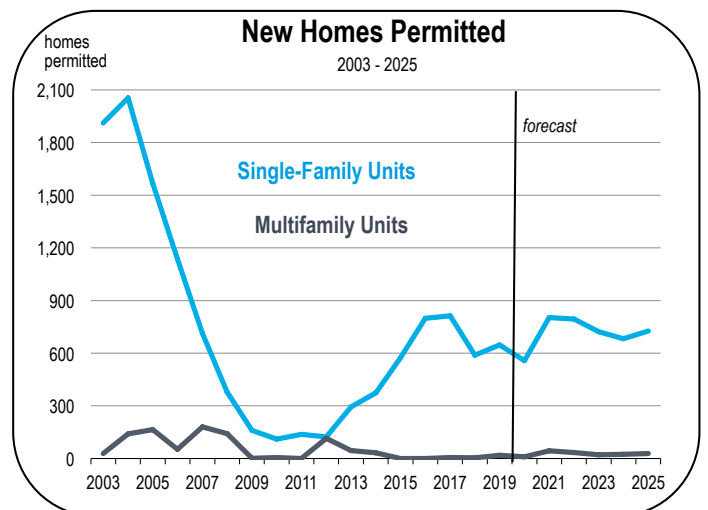
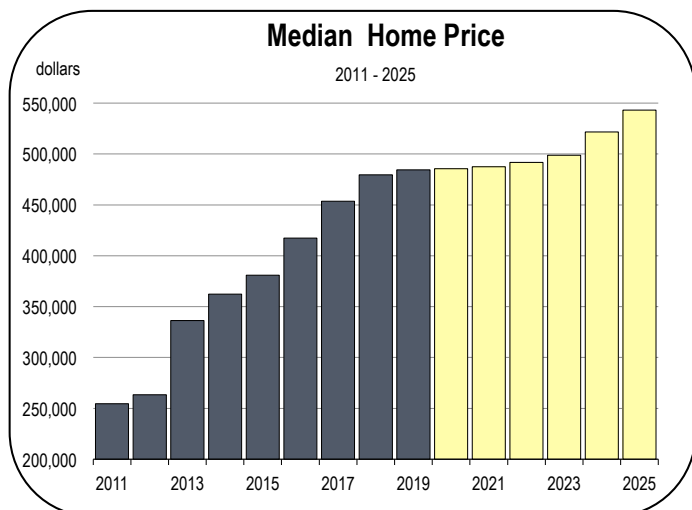
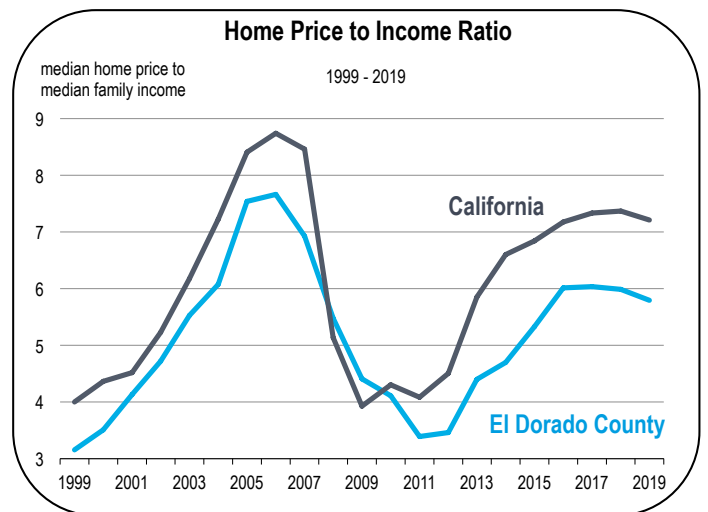
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The South Fork of the American River is a popular rafting destination

Home Prices and New Housing Production

- In 2019, the median home price in El Dorado County was \$484,400. The median price is not expected to change much in 2020 or 2021.
- Homes in El Dorado County are more affordable than homes across California, especially Coastal California.
- In El Dorado County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California, the typical household spends 35 to 50 percent of income on housing costs.
- From 2014 to 2019, an average of 645 new homes were started per year in El Dorado County. Virtually all were single-family homes.
- Housing production is expected to average 740 homes per year from 2020 to 2025, consisting almost entirely of single-family units.



El Dorado County Economic Forecast

Economic Indicators

2015-2019 History, 2020-2050 Forecast

	Population (people)	Households (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	183,269	71.1	501	574	223	\$11.1	\$1.4	\$2.1	\$481	\$68,061	5.7	56.9	1.5
2016	184,232	71.5	962	799	230	\$11.8	\$1.5	\$2.2	\$674	\$70,210	5.1	62.1	2.3
2017	186,531	71.9	2,233	819	229	\$12.2	\$1.6	\$2.3	\$707	\$69,633	4.4	64.8	2.9
2018	189,360	72.9	2,805	593	233	\$12.9	\$1.7	\$2.4	\$553	\$69,950	3.6	63.8	3.6
2019	191,210	73.1	1,766	665	238	\$13.4	\$1.8	\$2.5	\$556	\$69,960	3.5	63.2	3.0
2020	192,638	73.6	1,347	568	239	\$13.3	\$1.7	\$2.3	\$558	\$68,741	9.0	63.3	0.6
2021	194,309	74.0	1,589	847	241	\$13.8	\$1.8	\$2.5	\$547	\$69,247	6.3	63.8	2.0
2022	196,531	74.6	2,150	828	242	\$14.8	\$1.9	\$2.6	\$580	\$71,459	5.1	64.3	2.5
2023	198,741	75.2	2,162	744	244	\$15.7	\$2.0	\$2.8	\$606	\$73,016	4.5	64.7	2.6
2024	200,713	75.8	1,955	707	246	\$16.5	\$2.1	\$2.9	\$620	\$74,443	4.4	65.0	2.5
2025	202,486	76.4	1,787	755	247	\$17.4	\$2.2	\$3.0	\$633	\$75,765	4.2	65.4	2.3
2026	204,257	77.0	1,809	769	249	\$18.1	\$2.2	\$3.1	\$643	\$76,651	4.1	65.8	2.3
2027	206,022	77.6	1,838	742	250	\$18.9	\$2.3	\$3.3	\$655	\$77,515	4.1	66.1	2.2
2028	207,603	78.3	1,689	650	251	\$19.6	\$2.4	\$3.4	\$668	\$78,281	3.9	66.5	2.2
2029	209,053	78.9	1,600	635	253	\$20.3	\$2.5	\$3.5	\$674	\$78,660	4.0	66.9	2.3
2030	210,395	79.5	1,544	627	254	\$21.0	\$2.5	\$3.6	\$681	\$79,152	4.2	67.3	2.2
2031	211,644	80.0	1,513	611	255	\$21.7	\$2.6	\$3.7	\$689	\$79,705	4.1	67.7	2.1
2032	212,750	80.6	1,431	615	257	\$22.5	\$2.7	\$3.7	\$695	\$80,084	4.2	68.0	2.3
2033	213,784	81.1	1,418	595	258	\$23.2	\$2.7	\$3.8	\$705	\$80,807	4.2	68.4	1.9
2034	214,701	81.7	1,364	597	259	\$24.0	\$2.8	\$3.9	\$713	\$81,507	4.1	68.7	2.1
2035	215,558	82.2	1,372	586	260	\$24.8	\$2.8	\$4.0	\$722	\$82,160	4.2	69.1	2.2
2036	216,327	82.7	1,339	603	261	\$25.7	\$2.9	\$4.1	\$727	\$82,620	4.2	69.5	2.6
2037	217,035	83.3	1,333	596	262	\$26.6	\$3.0	\$4.2	\$732	\$83,019	4.2	69.9	2.7
2038	217,662	83.8	1,310	573	263	\$27.6	\$3.1	\$4.3	\$739	\$83,570	4.2	70.2	2.5
2039	218,221	84.3	1,300	551	264	\$28.5	\$3.2	\$4.5	\$745	\$83,995	4.2	70.6	2.7
2040	218,684	84.8	1,260	552	264	\$29.5	\$3.3	\$4.6	\$750	\$84,529	4.2	71.0	2.6
2041	219,124	85.3	1,292	530	265	\$30.5	\$3.3	\$4.7	\$757	\$85,130	4.2	71.3	2.4
2042	219,446	85.8	1,209	511	266	\$31.5	\$3.4	\$4.8	\$763	\$85,820	4.2	71.7	2.3
2043	219,741	86.2	1,212	491	267	\$32.5	\$3.5	\$4.9	\$770	\$86,554	4.2	72.1	2.2
2044	219,976	86.7	1,183	487	267	\$33.5	\$3.6	\$5.0	\$778	\$87,457	4.2	72.5	2.0
2045	220,056	87.1	1,064	488	268	\$34.6	\$3.7	\$5.2	\$784	\$88,237	4.2	72.8	2.2
2046	220,095	87.5	1,046	491	268	\$35.7	\$3.7	\$5.3	\$790	\$89,075	4.2	73.2	2.1
2047	220,041	88.0	970	493	269	\$36.7	\$3.8	\$5.4	\$796	\$89,900	4.2	73.6	2.1
2048	219,908	88.4	903	495	269	\$37.8	\$3.9	\$5.5	\$802	\$90,771	4.2	74.0	2.1
2049	219,689	88.8	832	496	270	\$39.0	\$4.0	\$5.6	\$808	\$91,671	4.2	74.3	2.1
2050	219,456	89.3	829	496	270	\$40.2	\$4.1	\$5.8	\$814	\$92,580	4.2	74.7	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
(thousands of jobs)												
2015	52.5	0.5	3.7	2.6	0.7	6.4	4.2	5.0	0.5	7.5	8.8	10.8
2016	53.9	0.3	4.1	2.6	0.8	6.7	4.1	5.4	0.6	8.0	9.0	10.9
2017	56.7	0.3	4.8	2.6	0.7	6.9	4.3	6.1	0.6	8.0	9.7	10.8
2018	58.5	0.3	6.0	2.5	0.8	7.0	4.2	6.0	0.6	8.5	9.6	11.0
2019	59.6	0.2	6.3	2.6	0.8	6.9	4.1	6.0	0.6	8.9	9.9	11.2
2020	56.2	0.2	5.6	2.5	0.7	6.5	4.0	5.4	0.6	9.1	8.7	10.9
2021	59.0	0.2	6.1	2.5	0.7	6.8	4.0	6.1	0.6	9.2	9.6	11.0
2022	60.6	0.2	6.5	2.6	0.8	7.0	4.0	6.5	0.6	9.3	9.8	11.2
2023	61.0	0.3	6.3	2.6	0.8	7.0	4.1	6.6	0.6	9.4	9.8	11.3
2024	61.3	0.3	6.2	2.6	0.8	7.1	4.1	6.7	0.6	9.5	9.9	11.4
2025	61.6	0.3	6.1	2.6	0.8	7.2	4.1	6.7	0.6	9.6	9.9	11.5
2026	62.0	0.3	6.1	2.6	0.8	7.2	4.1	6.8	0.6	9.7	9.9	11.6
2027	62.3	0.3	6.1	2.6	0.8	7.3	4.1	6.9	0.6	9.8	10.0	11.7
2028	62.4	0.3	5.9	2.6	0.8	7.3	4.1	6.9	0.6	9.9	10.0	11.7
2029	62.7	0.3	5.8	2.7	0.8	7.4	4.1	7.0	0.6	10.0	10.1	11.8
2030	63.0	0.3	5.8	2.7	0.8	7.4	4.1	7.0	0.6	10.1	10.1	11.8
2031	63.2	0.3	5.8	2.7	0.8	7.4	4.1	7.1	0.6	10.2	10.2	11.9
2032	63.5	0.3	5.8	2.7	0.8	7.4	4.1	7.2	0.6	10.3	10.2	11.9
2033	63.8	0.3	5.7	2.7	0.8	7.4	4.1	7.2	0.6	10.4	10.3	12.0
2034	64.0	0.3	5.7	2.7	0.8	7.4	4.1	7.3	0.6	10.5	10.3	12.1
2035	64.3	0.3	5.6	2.7	0.8	7.4	4.1	7.3	0.6	10.6	10.4	12.1
2036	64.6	0.3	5.7	2.7	0.8	7.5	4.1	7.4	0.6	10.7	10.4	12.2
2037	64.9	0.3	5.7	2.8	0.8	7.5	4.0	7.5	0.6	10.8	10.5	12.2
2038	65.1	0.3	5.6	2.8	0.8	7.5	4.0	7.5	0.6	10.9	10.5	12.3
2039	65.3	0.3	5.5	2.8	0.8	7.5	4.0	7.6	0.6	11.0	10.5	12.4
2040	65.6	0.3	5.5	2.8	0.8	7.5	4.0	7.6	0.6	11.1	10.6	12.4
2041	65.8	0.3	5.4	2.8	0.8	7.5	4.0	7.7	0.6	11.2	10.6	12.5
2042	66.0	0.3	5.4	2.8	0.8	7.5	4.0	7.8	0.6	11.3	10.6	12.6
2043	66.3	0.3	5.3	2.8	0.8	7.5	4.0	7.8	0.6	11.4	10.7	12.6
2044	66.6	0.3	5.3	2.8	0.8	7.6	4.0	7.9	0.6	11.5	10.7	12.7
2045	66.9	0.3	5.3	2.8	0.8	7.6	4.0	7.9	0.7	11.6	10.7	12.7
2046	67.2	0.3	5.3	2.8	0.8	7.6	4.0	8.0	0.7	11.7	10.8	12.8
2047	67.5	0.3	5.3	2.9	0.8	7.6	4.0	8.1	0.7	11.8	10.8	12.9
2048	67.8	0.3	5.3	2.9	0.8	7.6	4.0	8.1	0.7	11.9	10.9	12.9
2049	68.1	0.3	5.3	2.9	0.8	7.6	4.0	8.2	0.7	12.0	10.9	13.0
2050	68.4	0.3	5.3	2.9	0.8	7.6	4.0	8.2	0.7	12.1	10.9	13.1

El Dorado County Economic Forecast

Socioeconomic Indicators

